



U. S. Department of Justice

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PRESS RELEASE

***DR. STACK PLEADS GUILTY TO CONSPIRACY,
HEALTH CARE FRAUD CHARGES;
ADMITS SEEING AS MANY AS 80 PATIENTS A
DAY IN "EXPRESS SCRIPTS" PRACTICE***

SALT LAKE CITY – Dr. Warren R. Stack pleaded guilty in federal court Friday morning to one count of conspiracy to commit distribution of a controlled substance, health care fraud, and money laundering and two counts of health care fraud, admitting that between January 2 and at least March 26 of 2007, he saw and prescribed medication to as many as 80 patients a day through a practice he referred to as "Express Scripts" while billing patients and health care benefit programs as though he had conducted a thorough medical examination.

U.S. District Judge Tena Campbell set sentencing in the case for July 21 at 3 p.m. The plea agreement reached with federal prosecutors includes a joint recommendation to the court that Stack be sentenced to eight years in federal prison.

Stack was charged in an 18-count federal indictment returned in December 2007 with conspiracy, distribution or dispensation of a controlled

substance, health care fraud, and money laundering. Two other individuals, Mindy L. Kramer of Magna and Phyllis V. Murray of Murray also were charged in the indictment. Both have reached plea agreements with federal prosecutors and are waiting to be sentenced.

In the plea agreement filed today in federal court, Stack admitted that between April 2006 and May 16, 2007, saw patients at his clinics in Salt Lake County. As a part of his practice, he prescribed various drugs, including Oxycontin, Oxycodone, Soma, Methadone, Methadose, Percocet, and Endocet. According to the statement, most of his patients were seen every four weeks and were given either a brief physical examination or none at all, and were then issued prescriptions for controlled substances.

Stack admitted that during this period of time, he required patients to make their co-payments in cash and then directed his staff to bill various private and public insurance providers as though he had conducted a thorough and professional examination. He collected money from those providers as a result of this practice, the statement says. Money from patients and insurance providers was deposited into his business account and used to pay business expenses and his salary, the statement said.

During the “Scripts Express” period, Stack said he would meet with patients at a make-shift desk in his waiting room, in full view and hearing of his staff and other waiting patients. Stack admitted he would quickly review the patient’s file, make an inquiry as to whether the patient’s prescribed medications were still working, and issue a new prescription for controlled substances to the patient without conducting a medical examination. Stack continued to bill patients and health care benefit programs as though he had conducted a professional medical examination. He admitted collecting or billing amounts of \$70 to \$200 per patient visit.

The two health care fraud counts included in the plea agreement charged Stack with defrauding Select Health, a health care benefit program, and the federal Medicare program.

The plea agreement includes an agreement that Stack will pay an amount of restitution to be determined by the court at sentencing, including restitution for counts charged in the indictment but dismissed as a part of the plea agreement. He also agreed that money seized from him may be applied toward restitution after his defense expenses are deducted. He acknowledged

that the amount to be returned is approximately \$360,000. He also agreed to forfeit his interests in assets he owns or has an interest in, that represent proceeds of or were used to commit or facilitate the commission of the criminal conduct. The final forfeiture amount also will be determined at sentencing.

The case is being prosecuted by the U.S. Attorney's Office and a Special Assistant U.S. Attorney from the Utah Attorney General's Office. Investigative agencies include the DEA, the Salt Lake County Sheriff's Office, the State of Utah Insurance Fraud Division, the FBI, and IRS Criminal Investigation Division.

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